

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE CONSUMER ADVOCATE

Complaint on Sunday
and Holiday Collections

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Docket No. C2001-1

INITIAL BRIEF OF THE
OFFICE OF THE CONSUMER ADVOCATE

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July 9, 2002

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The Office of the Consumer Advocate ("OCA"), pursuant to Rule 34 of the Rules of Practice and Procedure of the Postal Rate Commission ("Commission"), 39 C.F.R. §3001.34, and pursuant to the Presiding Officer's Ruling No. C2001-1/21,¹ hereby submits its Initial Brief on the issues presented by the record compiled in this complaint proceeding initiated pursuant to 39 U.S.C. §3662. Upon consideration of the record the Commission will issue a public report to the Postal Service upon the complaint. OCA hereby offers proposed findings and recommendations for that report.

STATEMENT OF THE CASE

On October 27, 2000 Douglas F. Carlson filed a complaint with the Commission pursuant to 39 U.S.C. §3662, Rate and Service Complaints, regarding Sunday, holiday, and holiday eve service (Complaint).² The Complaint alleged the Postal Service had

¹ "Presiding Officer's Ruling Granting Joint Motion," June 25, 2002.

² Douglas F. Carlson Complaint on Sunday and Holiday Collections, filed October 27, 2000.

changed the nature of mail service on a nationwide or substantially nationwide basis by eliminating several services: (1) Sunday collection and processing of outgoing First-Class Mail; (2) the processing of outgoing First-Class Mail on holidays; and (3) normal mail collections on Christmas Eve and perhaps New Year's Eve. Carlson requested a Commission report on these matters. He also requested a hearing on the extent of Christmas and New Year's Eve collections service, the extent of collection and processing of outgoing First-Class Mail on holidays, and whether the Postal Service provides adequate service within the meaning of §3661(a), if there is no access to outgoing First-Class service on Sundays, holidays, or any two consecutive days.

By Order No. 1307, the Commission noted that §3662 limits the authority of the Commission to rendering a public report to the Postal Service on its findings." (Order 1307 at 16.)³

I. Sunday Service

Carlson's initial complaint filed under §3662 claimed that he is not receiving outgoing mail collection and processing on Sunday. (Order 1307 at 7.) The Postal Service acknowledged that it had eliminated Sunday collection and outgoing mail processing effective February 14, 1988, and the Commission agreed. (Order 1307 at 2, 10.) More than 12 years have passed since this occurred. (Order 1307 at 13.) The record also shows that the Postal Service did not request an advisory opinion on the alleged changes in such service. (*Ibid.*, Order 1307 at 10.) The Commission concluded

³ "Order Partially Denying Motion of United States Postal Service to Dismiss Complaint and Notice of Formal Proceedings," March 20, 2001.

that the Postal Service was required, but failed, to request an advisory opinion pursuant to §3661(b) prior to implementing the change in the level of Sunday service. (Order 1307 at 13.) However, the Commission determined that because there is no practical benefit in reviewing a policy change that occurred more than 12 years ago, there was little relevance in measuring the impact of a change on mailers operating under the current level of service for more than 12 years. Also, Carlson did not allege any benefit accruing to re-instituting the prior level of 7-day a week collection and processing level of service. (Order 1307 at 14.) Finally, the Commission noted that no mailer-initiated concerns other than Carlson's had been expressed concerning the current level of service. (*Ibid.*) The Commission therefore dismissed that portion of Carlson's complaint concerning "Sunday service." (Order 1307 at 14.)

II. Holiday and Holiday Eve Service

With respect to the remaining requests cited above, the Commission stated:

The Commission has reviewed the Complaint and has determined that it has potential merit. If the conclusion eventually reached is that there are problems with the services at issue, the Postal Service will have the benefit of a public report on the issues, including public input. From a broader perspective, the public has a right to understand changes, if any, made in the bounds of basic services. (Order 1312 at 8.)

As to the second part of the Carlson complaint regarding holiday and holiday eve service, the issues have been carefully framed by the Commission.

The first issue that the Commission would like to resolve is whether postal customers are adequately informed when the Postal Service temporarily or permanently modifies its holiday and holiday eve collection and mail processing schedules. This includes the issue of mail collections occurring prior to the time indicated on the collection receptacle. Accurately informing the mailing public of Postal Service policy is

important. The failure to accurately inform the public of a policy has the potential to rise to a failure or denial to provide a particular service. (Order 1317 at 15-7.)

The second issue is to determine the actual Postal Service policy on holiday and holiday eve collection and mail processing. This includes an examination of the Postal Service's alleged policy of "exceptions" or "discretion" and whether the exception, or frequent use of discretion, has effectively changed stated policy. The exceptions or discretion topic also should include exploration of what is the decision making criteria, and at what levels are the decisions implemented at, i.e., national, regional, local, or facility specific.

Thus, the two general issues to be considered in this proceeding are: (1) what is the Postal Service's policy on holiday and holiday eve collection and processing, including the policy on exceptions and the discretion used, and (2) whether the public is adequately informed about temporary changes in holiday or holiday eve collection and mail processing schedules. In addition, the Commission permitted Carlson to amend his complaint to consider the issue of whether the level of service is adequate under §3661(a). (Order 1307 at 17.) The Commission granted Carlson's motion to amend the complaint by Order 1312.⁴

Following the receipt of Carlson's amended complaint, the Commission summed up its view of the proceeding:

In this Complaint, the Commission contemplates addressing what service the Postal Service articulates it is providing, what service the Postal Service is actually providing, how the public is apprised of this service, is the public adequately informed, and, as the Complaint is amended, if the level of service is adequate. These are the valid §3662 complaint issues. (Order 1312 at 6.)

These questions are discussed below, *seriatim*.

⁴ "Order Denying United States Postal Service Motion for Reconsideration of Order No. 1307." May 7, 2001 at 8.

The record consists of interrogatories asked of the Postal Service by the Complainant Carlson, OCA, and an intervenor as a limited participant, Mr. Popkin. The Postal Service also filed six library references in this proceeding. The institutional interrogatory responses of the Postal Service were entered into the record pursuant to motion upon stipulation of the parties filed September 24, 2001, and accepted by Presiding Officers Ruling No. C2001-1/14.⁵ The testimony of the Complainant Carlson was filed in two parts, Part 1 on September 19, 2001, and Part 2 on April 24, 2002. The testimony was entered into the record by affidavit pursuant to the Presiding Officer's Ruling No. C2001-1/20.⁶ Written cross-examination in response to interrogatory DBP/DFC-1 was entered into the record by Presiding Officer's Ruling No. C2001-1/22 which also closed the record.⁷

STATEMENT OF OCA POSITION

The OCA has assisted in the compilation of the record in this proceeding and has independently reviewed the record to assist the Commission in determining the issues that the Commission indicated will be the subject of its report on the complaint. The OCA presents the following general findings, conclusions and recommendations to the Commission for its report to the Postal Service on the complaint.

⁵ "Presiding Officer's Ruling on Outstanding Motions," September 26, 2001.

⁶ "Presiding Officer's Ruling Admitting Testimony into the Record," June 13, 2002.

⁷ "Presiding Officer's Ruling Admitting Written Cross-Examination into the Record and Closing the Record," July 1, 2002.

1. The Postal Service should take immediate steps necessary to insure that its POM and the DMM are consistent with one another and are maintained so as to insure the current policies and procedures of the Postal Service are included in a timely manner in those documents for the benefit of its managers and the public.

2. The Postal Service's internal procedural policies providing for exceptions to collection times for Christmas Eve and New Year's Eve and other holidays are sufficiently clear and concise and appear to be generally followed by the management. The few deviations from the general policy are matters to be addressed by upper management and do not rise to a need for a change in nationwide policy. As much as possible, the Postal Service has a nationwide policy of adhering to the collection times indicated on collection mailboxes. The policy for exceptions to the general policy when implemented on a nationwide basis falls within the jurisdiction of the Commission. In OCA's view, the Postal Service should eliminate its policy of allowing exceptions to collection times on holiday eves to insure standardized collection service throughout the nation so that all customers may be confident the specified collection time will be honored when a letter is mailed.

3. The notices to the public of the relatively rare changes in box collection times are inconsistent, unsatisfactory and insufficient. If the Postal Service is to continue its policy of allowing exceptions to its nationwide policy of adhering to box collection times, Postal Service management should (1) standardize public messages to the extent possible; (2) standardize the system for notifying the public of changes in collections; (3) increase significantly the public notices, to include notices placed on individual mail boxes and the issuance of additional media notices; and (4) standardize

post office notices and post them well in advance of the day of the expected early collections.

4. Overall, the holiday collection service appears to be adequate, even when there is no collection or outgoing mail processing for two consecutive days during Christmas and New Year's holidays when the prohibition of two consecutive days without processing policy in the POM is waived pursuant to headquarters memoranda. Although the Complainant indicates several instances where he individually has been inconvenienced by early holiday pick-ups, there is no showing that the general public has been inconvenienced.

DISCUSSION OF THE EVIDENCE AND COMMENTS

I. What Service the Postal Service Articulates it is Providing

The Postal Service's guidelines for providing holiday service are presented in various sections of its DMM and its POM. A review of those sections indicates that there are inconsistencies and revisions are required. Besides written manuals, Postal Service policy is effectively articulated by the information the Postal Service provides on its mailboxes as to collection times and by its stated retail operation times.

Current labels on nearly all collection boxes do not indicate a holiday collection time. This is because field managers have been instructed to indicate a holiday collection time on the box "only if mail from the box is collected and processed every holiday." (DFC/USPS-1.) A memorandum to Managers, Delivery Programs Support (Area) dated September 30, 1999 from the Manager, Delivery Policies and Programs, is

the only known document issued from Postal Service headquarters guiding field offices on the proper circumstances for posting collection times on collection boxes. In pertinent part, it reads:

...those offices which collect mail from receptacles on Sundays/holidays where the mail **is not** canceled, processed, and dispatched that same day must immediately remove displayed collection pick up times for Sunday and holidays from the Collection Times decals (DEC's 54-E, 55-B and 55-H) on all collection receptacles. (DFC/USPS-3.)

From this memorandum, it can be fairly concluded that the Postal Service expects to cancel and process mail the same day it is collected and that it also recognizes mailers expect the same service. Further, if the Postal Service would be unable to cancel or process mail on the holiday it would be collected, the Postal Service does not schedule mailbox collection.

The Postal Operations Manual,⁸ POM 8, sections 313.1 and 313.2, reflects the Postal Service's stated policy regarding mail pick-up times. Section 313.1 states that collections should be made "as near as possible to the posted pickup time, but not before posted times for specific trips." (OCA/USPS-1(a).) Holiday collection times are discussed in POM 8, section 313.5: "When a holiday falls on a Monday, a collection must be made from all collection boxes on either Sunday or the Monday holiday." (OCA/USPS-2.) "Consecutive days without collections should be avoided."⁹ (Carlson, Part 1 at 14.) Holiday service levels are presented in a chart form in the DMM, section

⁸ The Postal Operations Manual sets forth the policies, regulations and procedures of the Postal Service governing, among other things, retail, collection, mail processing and delivery of mail. (POM, Issue 8, July 16, 1998, Preamble-"Purpose.")

⁹ POM 8, Exhibit 125.22 at 28, footnote 1.

G011.1.5 (Issue 56, July 7, 2001.) The approving authority within the Postal Service for the two documents is different. (DBP/USPS-1(c).)

The Postal Service has clearly stated in this record that its current holiday pick-up policy does not conform to the above quoted POM directives: "The Postal Service policy is not to conduct Sunday collections or outgoing processing of First-Class Mail except during the holiday season or as a contingency for unusual circumstances." (OCA/USPS-14.) This policy does not conform to the POM 8, section 322.233 which states, "holiday pickups should be at least once a day, as late as possible to ensure that the mail will connect with dispatches of value to meet established standards."¹⁰ (OCA/USPS-14.) The Postal Service says this latter section is to be revised to conform to actual practice. (*Ibid.*)

Both the POM and the DMM provide that exceptions to the holiday service levels must be approved by "higher-level authorities." This statement of policy notifies the field offices that unilateral deviations from the holiday policy should not be made locally. Practices before the mid-90's are uncertain, but since the mid-90's the current practice appears to have been consistently applied. Headquarters issues a holiday memorandum under the name of a higher-level official delegated the authority to issue the holiday memoranda (although not the Chief Operating Officer as suggested in the POM). (USPS-LR-1/C2001-1.)¹¹

¹⁰ A dispatch of value is any dispatch early enough to allow mail to reach the processing center to receive all necessary processing in accordance with the operating plan. (OCA/USPS-14(b)).

¹¹ "Headquarters Holiday Memorandums Provided in Response to DFC/USPS-8."

Area officials such as district managers are likely to be involved in decisions by local offices to make exceptions to the holiday collection guidelines. This is necessary due to the network nature of the postal operations used to move the mail (*i.e.* collection, mail processing, and transportation) which requires coordination of downstream operations. In effect, exceptions "will generally not be available without the implicit authorization of the COO as provided by the holiday memo issued by Headquarters." (DBP/USPS-2.)

When the EXFC program may be affected, arrangements must be made in advance regarding the suspension of operations near a holiday because adjustments cannot be made after the fact. According to a November 16, 1999 memo to vice presidents and Area Operations Manager, from the manager of Customer Satisfaction Measurement, the documentation must be submitted to headquarters through the district office 10 days prior to the service curtailment detailing the media notification including the press release or script. (DFC/USPS-17.)¹² Thus, headquarters has taken steps to insure public notification of operational changes where it may adversely affect the EXFC rating. The Postal Service requires field offices to notify customers in advance when collections will be earlier than posted, thus giving give customers the opportunity to alter their mailing practices (DFC/USPS-41.); otherwise, there is no interest at the headquarters level about the extent of public notification prior to collection or processing changes.

¹² In one instance, Headquarters requested that it be informed by Email of the press releases that notified the public of changes in collection schedules that were made for a July 3 date. This indicated that the support justifying the collection schedule change was provided after the holiday eve. This is so rare there is no standard practice. (DFC/USPS-60.)

The Postal Service claims the current practice is "broadly consistent" with the notes in the DMM and POM exhibits. (DBP/USPS-2.) Currently, however, the Postal Service's official operating documents are inconsistent with one another. In particular, the Postal Operations Manual (POM, Issue 8), Exh. 125.22, and the Domestic Mail Manual (DMM) Exhibit 1.5, Section G011.1.5 1.5, Section G011.1.5 do not agree. In the Note following Section B of Exhibit 125.22 in the POM, service level exceptions are to be approved by the COO and Executive Vice President. (DBP/USPS-3.)¹³ The DMM notes exceptions to the service levels must be approved by a district manager. To resolve this discrepancy, the Postal Service plans to revise portions of the POM relating to holiday service, but the timing of the planned revisions is unclear.¹⁴ (DBP/USPS-6.) The DMM will also be revised to make it consistent with the revised POM. (DBP/USPS-15.) Apparently, the discrepancy is not considered critical by the Postal Service as it has not been quickly corrected.¹⁵

The Postal Service states its current holiday practice is to issue a memorandum to the field for each holiday, thereby providing guidance for that particular holiday. (DBP/USPS-4, see also, DFC/USPS-8, USPS-LR-1/C2001-1, and DFC/USPS-11.) The holiday memos for recent years from June 1998, 1999, and 2000 are in the record. (USPS-LR-1/C2001-1 and USPS-LR-3/C2001-1.)

¹³ The Note states, "Exceptions to these service levels must be approved by the Chief Operating Officer and Executive Vice President." See also, DBP/USPS-1(a).

¹⁴ The Postal Service points out that it has been well-established that neither the general public nor anyone else can properly assume that provisions of the POM regarding holiday collection reflect current operational practices. (DBP/USPS-14(b)) While the DMM is available for public inspection under 39 CFR §111.2, the POM is not. (DBP/USPS-14(a).)

The Christmas and New Year's holiday memo, dated August 17, 2001, states Christmas Eve and New Year's Eve will be normal operations with "reduced staffing" in the afternoon and that "Normal delivery collections and outgoing operations will be provided." (Carlson, Part 2, Appendix. 1.) Further, there will be, "no retail activities, and no outgoing processing. There will be no scheduled collections other than those necessary to prevent boxes from overflowing." (*Ibid.*) The memo concludes that staffing should be adjusted to meet the service needs with "no service disruptions." (*Ibid.*)

Only a few memos issued prior to the late 90's have been located for the record. Only one memo for each Fiscal year 1995 and 1996 was intended to cover all holidays in the year. (DFC/USPS-8.)

As for early mail pickup on holiday eves, there is no national policy (OCA/USPS-11.); "[I]t is allowed only rarely, on a case-by-case basis." (DFC/USPS-16.) Decisions to collect mail from boxes with no posted pickup on holidays are to avoid overflow of the box or to avoid the accumulation of outgoing mail on the day after a holiday. (DFC/USPS-7.) In both instances these decisions are made locally so as to use staff resources most efficiently. (*Ibid.*)

II. What Service the Postal Service Is Actually Providing

The Commission suggested in this proceeding that an analysis of nationwide information on the availability of pick-ups from collection boxes might provide insight on the levels of service and/or service needs on holiday and holiday eves and could lead

¹⁵ The POM references a "Holiday Schedule" while the DMM exhibit references "Holidays;" the Postal Service presumes both references mean the same thing. (DBP/USPS-1(b).)

to the discovery of admissible evidence. (Order No. 1331 at 8)¹⁶ Details of the Collection Box Management System are included in this record.¹⁷

A. Collection Mail

With respect to collection mail, there are very few headquarters records of early holiday eve final collections. There are, however, instances where the Postal Service performs final collections from collection boxes prior to the time posted on the collection boxes. (Carlson Part 2 at 26.) Early collections on the eve of federal holidays "are relatively uncommon," and those instances are listed in the record.

With few exceptions, early final collections are limited to Christmas Eve and New Year's Eve. (Carlson, Part 2 at 29.). Final collection occurred early on Christmas Eve 1999, and July 3, 2000. In both instances, it was expressly authorized by headquarters, but it is "relatively uncommon" on federal holidays (DFC/USPS-13-14.)¹⁸ Of the 224 Postal Service districts, early collections occurred in very few districts and the number of districts with early Christmas Eve collections is generally trending downward. Christmas Eve 1998 had 15 early collections, 1999 had 22; in 2000 only 2 districts had early collections, and in 2001 there were 14 early collections on Christmas Eve. For the corresponding years, the number of districts with early collections on New Year's Eve were 3, 5, 2 and 11, a very small portion of the total number of 224 districts.

¹⁶ "Order Affirming Presiding Officer's Ruling No. C2001-1/10," November 27, 2001.

¹⁷ The CBMS (Collection Box Management System) is explained in operating manuals in USPS-LR-5/C2001-1. (DFC/USPS-20.) A sample of the Scanner History Detail Report for each route that is kept, along with the electronic version at the delivery unit, is provided. (DFC/USPS-21.)

¹⁸ Memos about Christmas Day and New Year's Eve dated November 17, 1999 and November 18, 1999 in USPS-LR-1 purposely do not define late evening collections and it was intentionally left ambiguous. (DFC/USPS-44.)

(Carlson, Part 2 at 27-8 and Carlson, Appendix 2.) Similarly, headquarters authorized early collections on the eve of July 4, 1999. In that case, headquarters authorized a Saturday collection schedule for Monday, July 3. (DFC/USPS-14.)

Carlson notes that several of these early collections were in the Appalachian District. (*Id.* at 28.) He concludes that "rogue" districts performed the bulk of the early collections. (Carlson, Part 2 at 29.) It should be noted that "rogue" actions are inconsistent with postal policy. A correction in the actions of the Postal Service, if required, does not appear to require a change in the Postal Service's nationwide policy. Rather, the solution appears to be the imposition of tighter controls by headquarters management to ensure adherence to stated policies at the local level.

The Postal Service does not have information for FY2000 on the volume of mail that was collected earlier than the posted pick-up times. (OCA/USPS-1(c). There were no collections ("suspension of collections") in Phoenix and Salt Lake City on Christmas Eve 1996 and early collections were less frequent in 1992-3 than in 1998-9. (DFC/USPS-62.) A few other times, collections were suspended or final collections were early. (DFC/USPS-14.)

The day of the week on which the holiday falls is a factor in determining whether there will be early collections. If the holiday eve falls on a Sunday, then no collections are scheduled in any event. (DFC/USPS-14.) On other occasions, if the mail box volume is so light that collection may be excessive, the box collection times may be changed or even eliminated where, for example, the holiday eve (such as July 3) falls

on a Monday of a "four day" weekend. (DFC/USPS-16.)¹⁹ The Postal Service says it does not necessarily pick up mail on either Sunday or the Monday holiday when the holiday falls on a Monday.²⁰ (OCA/USPS-2.)

If a four-day weekend occurs because the holiday falls on a Thursday or a Tuesday, then special situations arise. For instance, July 4, 2000 occurred on a Tuesday and July 3, 2000 fell on a Monday so that the Monday volume was probably lower than normal. Nevertheless, it is not likely that a nationwide majority of boxes were shifted to a Saturday schedule on Monday July 3, 2000. Only New York District seems to have done so; not the West Coast, Hawaii, or the Great Lakes. (DFC/USPS-52, see DFC/USPS-35 and 38, see also USPS-LR-4.)²¹

The Postal Service monitors the timeliness of collection from boxes with the CBMS (Collection Box Management System) data and observations by supervisors. Also, EXFC information may highlight delays in collections. (OCA/USPS-9.) Even though the collection box label may not indicate a holiday collection time, there may be

¹⁹ All collection boxes accessible to the public are scheduled for Saturday pick-up. Some mail chutes not accessible to the public on Saturday are not scheduled for Saturday pick-up. (DCF/USPS-71(c).) Postal Service policy is to pick up on Saturday no earlier than 1 p.m. publicly accessible boxes that have an average of 100 pieces of mail per day on Monday through Friday. (POM Section 322) However, some such boxes have final Saturday collection prior to 1 p.m. (DFC/USPS-71.) Rather than drop the early pick-ups on the holiday eve, it is more efficient to pick up the final time using a Saturday schedule on a holiday eve because the last Saturday collection is scheduled to maximize the use of less staff for the lower Saturday volumes since most businesses are not open on the holiday eve. (DFC/USPS-63, DFC/USPS-35(b) (Revised Response.)

²⁰ The Postal Service intends to conform the POM language to the current practice of not necessarily picking up mail either on Sunday or Monday if the holiday is on a Monday. (OCA/USPS-2.)

²¹ The number of boxes affected by Christmas and New Year's Eve collection adjustments is on spreadsheets in DFC/USPS-19 derived from the Collection Box Management System. The hours of the adjustment multiplied by the number of boxes and the average hours of advancement are calculated for the Districts nationwide. The data expands upon USPS-LR-4 pursuant to P.O. Ruling C2001-1/13. (DFC/USPS-19.)

certain holidays during the year in which collection and processing from a particular box occurs. (DFC/USPS-1.) On the other hand, on some holidays, First-Class Mail from some boxes with a scheduled holiday collection time may not have mail pick-up and processing. (*Ibid.*) In any event, even if mail is collected later than the normal pick-up time, it may still be processed normally, depending upon when it reaches the processing unit. (OCA/USPS-1(e).)

B. Mail Processing Service

Before 1988, most plants did not process mail on the major holidays although processing on holidays was used to catch up with overflow. (DFC/USPS-48.) The Postal Service now processes outgoing mail on some holidays but not all holidays. The decision to process mail on a holiday is made at the local level. (DFC/USPS-7.) It depends upon the expected workload: mail volume on-hand going into the holiday and past holiday mail volume experience. The intent is to avoid a surge in workload on the day after the holiday. (DBP/USPS-22.)

The record contains a list of the ten major holidays indicating the proportion of all postal processing facilities²² that canceled mail in 2000 or 2001. Holiday cancellations were about 21 percent of the average daily cancellations from 1992, '93, '96 and '97 but have recently dropped to 12 percent in 2000 from 16 percent in 1999. (Supplemental Response to DFC/USPS-10.) Facility daily average cancellations have been in the 400,000 per year range and have not changed significantly during the period 1992-2000. Saturday cancellations run about 65 percent of normal volume. (DFC/USPS-25.)

²² The facilities listed include AMFs and PMPCs that do not cancel mail.

The Postal Service says "it is perhaps inappropriate to attempt to evaluate consistency with the instructions based on what happened on any holiday or set of holidays." DFC/USPS-26. The determination to process mail can vary year-to-year. The proportions vary indirectly with the overall level of the observance of the holiday. For instance, on New Year's and Christmas, less than 5 percent of all facilities process mail. Only five facilities cancelled First-Class Mail on Christmas and New Year's 2000 and 2001, while on Columbus Day about one-half of all facilities processed mail. The processing on the other holidays (some more widely-observed than others) lies somewhere in between, consistent with the proportion of the population that observes a particular holiday. (DFC/USPS-6.) For instance, for several facilities, holiday cancellation volume for Memorial Day, 1998, was in the order of magnitude of 250,000 First-Class letters although facility-specific information is not disclosed. (DFC/USPS-12.)

Fewer mail processing facilities processed mail on holidays in 2001 than in the years prior to 1988. More specifically, the Pacific Area²³ and Western Area processing facilities that canceled and processed outgoing mail and the number of holidays on which mail was canceled and processed dropped between 1997 and 2001. (DFC/USPS-9.) These reductions in collection and processing are due, in part, because, prior to 1988, the mail was routinely collected and processed every day of the

²³ Pacific Area holiday operations data is contained in USPS-LR-2001-1/3. (DFC/USPS-11.) The Pacific Area directed facilities not to process mail on Veteran's Day 2000, and after review, it appears that only one did process mail. (DFC/USPS-76.) The Pacific area may have ordered normal holiday collections even though no processing on the Veteran's Day holiday was needed to prevent the overflow of mailboxes. (See October 27, 2000 memo, DFC/USPS-28.)

week including Sundays. (*Ibid.*) Also, less mail is being deposited on Sundays than previously (*Ibid.*).²⁴ Furthermore, because improved equipment capability in recent years has enhanced the ability to process mail, particularly letter-shaped mail, less time is required to process mail. Thus, the need to process mail on holidays to avoid post-holiday overloads has been reduced. It is likely that the proportion of facilities processing mail on holidays from 1992-2000 is lower than the years 1980-1987. (DFC/USPS-54.) In general, "the mailing environment as it existed prior to 1988 is not the mailing environment of today." (DFC/USPS-9.)

Area level officials take these factors into account when deciding to schedule holiday mail processing, but local on-site personnel may determine "available staff and available workload justify initiation of outgoing operations." (DBP/USPS-22, see DFC/USPS-61 re Portland, Oregon on Memorial Day 1999.)²⁵ Generally, all of the facilities follow the same cancellation pattern and either most will cancel on a particular holiday or very few will cancel on a holiday. There are relatively few "outliers." (DBP/USPS-22.)

C. Window Service

The headquarters holiday memoranda consistently indicate that retail service will be closed for a federal holiday. (USPS-LR-1/C2001-1.) The Postal Service is more likely to extend window hours in the days and weeks before Christmas than to eliminate

²⁴ The record contains by facility, for each holiday for each year from 1992 to present, the ratio of the reported number of cancellations for that facility to the average daily FY2000 cancellations for the facility. (DFC/USPS-10, see USPS-LR-2/C2001-1.)

²⁵ The Portland, Oregon P&DC did process mail on Memorial Day 1999. (DFC/USPS-61.)

or reduce window service. (DBP/USPS-8(a).) The Postal Service is unaware of any national level documents that reveal authorization to curtail retail service either before or after holidays. (DBP/USPS-8(b).)

III. How the Public Is Apprised of this Service

Holiday collection and processing service levels are not clear to the public. Normally, most collection boxes do not indicate any holiday collection time. The expectation is that, therefore, the mail will not be collected and therefore will not be processed. However, the experiences of Carlson with the practices of the Postal Service on non-widely observed holidays and pursuant to his inquiries at local processing plants indicates confusing and erroneous information regarding holiday processing may be provided by Postal Service personnel.

Collection and processing occurs on some holidays in some cities, but collections are not announced. (Carlson, Part 1 at 9.) They are also inconsistent and unpredictable. (Carlson, Part 1 at 11.) History is no guide for customers. Carlson complains that holiday collections are omitted at sites where in the past there was holiday service. (Carlson, Part 1 at 10.)

Carlson contacted the local Postal Service in south Florida about mail processing on holidays and was apparently provided incorrect information. Processing on a specific holiday was promised, but Carlson's mail was subsequently postmarked after the holiday. (Carlson, Part 1 at 12.)²⁶ Carlson suggests that without accurate collection

²⁶ The postmark after the holiday does not necessarily mean the mail was processed on the day after the holiday as postmarked. There are instances where the Postal Service postdated the postmark during holiday processing.

and processing information, if a box is collected even though it does not show a holiday collection time, some mailers may be harmed by the unexpected early arrival of their mail. (Carlson, Part 1 at 12.)

In the instances where the collection boxes indicate a holiday collection time, the Postal Service does not necessarily process the mail on the holiday. When the box does indicate a holiday collection time, it raises the expectation in the mind of Mr. Carlson that the collected mail will also be processed during the holiday. (Carlson, Part 1 at 10.)

The Postal Service is concerned that collection times on holidays may at times conflict with the collection times posted on collection boxes. To avoid such conflicts, it instructs the field to leave the holiday collection field blank on the boxes unless mail is expected to be picked up and processed on every holiday. (DBP/USPS-7.)

Even the Postal Service is "unclear" as to the publicity provided in the past to apprise the public of holiday collection service. The Postal Service requires field offices to inform the public of early collections (Carlson, Part 2 at 36), and instructs the field "to use available media to publicize in advance instances in which collection pickups are expected to vary from posted collection schedules." (*Ibid.*, see also, DFC/USPS-3 and 17.)²⁷ Generally, media notices do not indicate specific collection plans. (DFC/USPS-68.) Pacific Area memos in USPS-LR-3/C2001-1 indicate the focus is on notifying larger customers most likely affected by holiday collections, but the number of customers notified and the volume of mail impacted are not known. (DFC/USPS-46.)

²⁷ The Postal Service points out there is a great deal of publicity that post offices are closed on federal holidays. (*Ibid.*)

The Postal Service believes there is not enough mail on holiday eves to justify placing a notice of early holiday eve collections on every collection box. It says that using both the media and collection box notices would be only “marginally” more effective than using either a media notice or a collection box notice alone. (DFC/USPS-36.) The Postal Service believes, instead, that the media is a better way to inform mailers of early collections. (*Ibid.*)

An alternative to leaving the holiday collection time entirely blank appeared on a Mobile, Alabama box. An asterisk denoted the holidays when collections were not scheduled. This notation was added locally by a stand-alone ink-jet printer. The Collection Box Management System (CBMS) is not capable of producing such a notation. (DFC/USPS-22-24.) The Mobile office has been instructed to replace the labels with labels showing no scheduled holiday collection pickups. (DFC/USPS-59.)

Postal Service headquarters does not issue signs or preprinted informational notices to post offices for advising customers whether outgoing First-Class Mail will be collected and processed on the holiday. (DFC/USPS-4.) Nor does Postal Service headquarters issue post office notice materials for advising customers when the final collection on the day prior to a holiday will be made if there is a change in the collection schedule for the holiday eve. (DFC/USPS-5.)

IV. Is the Public Adequately Informed?

Carlson testified the Postal Service’s public notice of early collections on holiday eves is insufficient. (Carlson, Part 2 at 26.) Carlson’s standard for notice is that it “must reach every postal customer.” (Carlson, Part 2 at 37.) Moreover, he believes, the notice

must be made sufficiently in advance to allow the customer to make alternate arrangements. (*Ibid.*) On the other hand, the Postal Service does not believe any method of communication about early holiday eve pickups would reach "every" person who "may" deposit a letter in a box. (DFC/USPS-15.) Headquarters has taken steps to insure public notification of operational changes where it may adversely affect the EXFC rating; otherwise, there is no interest at the headquarters level of the extent of public notification about early collection or processing changes.

The Postal Service normally uses press releases to notify the public of early collections. (Carlson, Part 2 at 38.) Of 15 districts that performed early collections on Christmas Eve 2001, 9 districts used solely press releases. The 9 districts did not post signs in post-office lobbies. Other districts used newspaper advertisements, some in conjunction with lobby displays. (*Ibid.*) Examples of three media press releases for Christmas and New Year's 2001, in New Jersey and Wisconsin, are included in Carlson's testimony. (Carlson, Part 2 Appendices 3-4.)

Notably the press releases seem to be individually written and do not follow a common format that would be easily recognizable across the country by mailers who travel around the country. Also, while informational, the key points of the releases are not easily read, and it is difficult to find at a glance the three most important points: when will the post office window be open, when are the last box collections, and when will mail be processed. The Postal Service even admits that "media releases in the Pacific Area typically do not provide information describing collection plans for holidays on which the Postal Service plans to collect and process outgoing mail." (DFC/USPS-68.)

Carlson notes other shortcomings of relying on press releases such that they do not achieve the necessary saturation to reach a majority of the audience. (Carlson, Part 2 at 39.) Some people simply do not read the newspapers, or they read only local newspapers or urban newspapers and miss press releases carried only in one type of paper (*ibid.*). Language barriers or handicaps may preclude others from reading press notices. Also, the media itself is often overwhelmed with press releases and may not provide appropriate or sufficient notice to reach the public adequately. In large metropolitan areas with multiple post offices, the decision about the appropriate newspaper(s) to place an announcement can be difficult. (Carlson, Part 2 at 40-42.) At other times, Carlson found the notices confusing, incorrect, or containing imprecise language. (*Id.* at 43-48.) Some notices are tiny and hidden among the classified ads. (*Id.* at 57.) Carlson concludes that no media campaign, not even an exorbitantly expensive saturation campaign, will reach all customers. (Carlson, Part 2 at 43.)²⁸ For these reasons, Carlson argues for broader public notice and, if that is not sufficient to inform customers, he “would discard” the “plan for early collections.” (Carlson, Part 2 at 58.)

²⁸ Carlson undertook his own informal random but not statistically valid survey of persons located in 13 of the 15 districts that had early Christmas Eve collections in 2001. The survey occurred in April 2002. Of the 34 respondents, only three indicated they were aware of the early collections on the holiday eves in 2001. He concludes, “The Postal Service’s communications strategy indisputably fails to reach all postal customers.” (Carlson, Part 2 at 55-7, updated by DBP/DFC-1, see also, survey text at Carlson Appendix 7.)

V. Is the Level of Service Adequate?

A. Adequacy of Collection and Processing Service

The question of the adequacy of service is difficult to determine on the basis of the record regarding holiday service. The Postal Service says it has not identified a need to conduct an analysis of its customers' perceptions of the service received for mail deposited in collection boxes and that it has no knowledge of any such analysis conducted by others. (OCA/USPS-12.) Nor has the Postal Service identified any studies analyzing the adequacy of holiday collections or outgoing mail processing. (DFC/USPS-18.) The Postal Service concludes that the mailers' expectations are minimal if they mail a letter at the end of the day on a holiday eve. (DFC/USPS-38-39.)

Efforts to minimize plan failures (when a facility is unable to complete timely outgoing processing) and the number of times there have been plan failures on the day after a holiday are an indication of the adequacy of service. (DFC/USPS-18, see also, DFC/USPS-11.) If there is no plan failure after a holiday, it tends to show that the holiday operations were adequate. (DFC/USPS-47(a).) The likelihood of a plan failure the day after the holiday is inversely proportional to the volume on the holiday. (DFC/USPS-47(b).) There are apparently certain benefits of operating on the holiday if there were plan failures the year before on the same holiday. (DFC/USPS-47(c).) It appears that the 1997 plan failures were due to post holiday heavy delivery volumes rather than collection practices on the holiday itself. (DFC/USPS-47(d).) There were a few plan failures in the Pacific Area in 1998-2001 with those in 1999-2001 involving relatively small amounts of mail. (DFC/USPS-47(e).)

As for the adequacy of service for collection mail deposited in boxes after the final pickup on a holiday eve, but before the final collection time specified on the box, the Postal Service says it is “unaware of any reason to believe that mail delays caused by accelerated collections on the eve of holidays is a significant source of customer dissatisfaction.” (DFC/USPS-15.) Even if there is customer dissatisfaction, the Postal Service says that operational benefits of early pickup such as reduced expenses and improved employee morale should be weighed against it. (*Ibid.*)

The Postal Service notes that the majority of mailers are aware of the variation in time for individual letters to reach their destination and the majority of holiday eve customers “are not especially concerned with the time in which their mailpieces are delivered, or will tend to build in more of a cushion to accommodate routine holiday disruptions.” (DFC/USPS-15.) Even if this is accurate, it does not answer the question as to whether the service is adequate for those mailers or especially for those other mailers who are not able to build in a cushion for their mailing.

Carlson testified that postal customers need collection and processing of outgoing mail on non-widely observed holidays. He finds support in his own observation of persons visiting post offices on such non-widely observed holidays where he has noted surprised customers realizing the service is curtailed for a federal holiday and collection boxes sometimes filled. He also says two days should not pass without outgoing mail service. (Carlson, Part 1 at 13.) Carlson also bases his conclusions upon his own mailing needs and his observations of people arriving to deposit mail. He says they study the collection time labels and others appear to drive out of their way to P&DCs on holidays to deposit mail. (Carlson, Part 1 at 13-4.)

Carlson concludes that, as a general principle: “customers who deposit mail in collection boxes need their mail to be collected and processed within one day.” (Carlson, Part 1 at 14.) He concludes that if outgoing mail is not processed for two consecutive days, the Postal Service automatically fails to satisfy the customer need that the Postal Service itself presumes in the overnight and two-day service standards. (Carlson, Part 1 at 15.) However, the Postal Service points out that POM, Sec. 125.22, does not require that consecutive days without collections are to be avoided but that they “should” be avoided. (DFC/USPS-29.)

The data in USPS-LR-2/C2001-1 (Historical Holiday Mail Processing Data Provided in Response to DFC/USPS-10) indicate that the non-widely observed holidays tend to have a greater percentage of their normal volume of mail processed on those days. (Carlson, Part 1 at 15.)²⁹ On non-widely observed holidays such as the Martin Luther King Jr. holiday, President’s Day, Columbus Day, and Veterans Day only about 25 percent of processing plants do not receive outgoing mail; while on widely observed holidays, including Memorial Day and Labor Day, about 80 percent of processing plants are idle. (Carlson, Part 2 at 16.)

²⁹ Cancellation volumes reported in USPS-LR-2 do not include presorted, imprints, trays or bundles bypassing cancellation operations. (DFC/USPS-55.) Other features of USPS-LR-2/C2001-1 include: NR means no report. There are consolidated operations in some areas on holidays. A 0.00 only means no processing at that location--mail could have been sent elsewhere for consolidation. (DBP/USPS-13.) The listing includes facilities that never cancel mail such as those other than P&DCs/P&DFs, even though the reference is prepared to give historical time series information on facilities that have cancelled mail on holidays. Also, USPS-LR-2/C2001-1 has the most current information regarding holiday cancellations in certain areas: Sacramento, Honolulu, Los Angeles, Pasadena, Long Beach Bakersfield, Santa Clarita, Stockton, and Marysville. (DBP/USPS-22.)

Carlson suggests that the true holiday volume of mail is underestimated simply because, since there is no holiday collection, mailers do not deposit mail. (Carlson, Part 1 at 18-20.) It appears that Carlson is essentially arguing mail should be collected and processed by the Postal Service throughout the holidays. That view is clearly contrary to the policy decision long established by the Postal Service not to provide holiday mail and processing service except where it will impact service on other days.

Carlson concludes that Monday holidays strand large amounts of mail for two days without being processed. (Carlson, Part 1 at 17.) When Christmas and New Year's fall on the weekend as they did in 1999 and 2000, mail is not collected or processed for two consecutive days, and this can be extended even longer if mail is collected early on the holiday eve. (Carlson, Part 2 at 59.) Headquarters has no policy as to whether district officials should alter their collection on Saturday Dec. 23 when Christmas falls on a Monday. (DFC/USPS-43.)

Carlson believes that because of holiday preparations and the custom of sending cards, more people are likely to need normal collections rather than having three consecutive days without outgoing collections or processing. (Carlson, Part 2 at 29-30.)

Carlson also cites to other mailer needs around New Year's Eve to support his contention that early final collections on New Year's Eve do not meet the needs of customers. For instance, some tax filings are due at the end of the year (Carlson, Part 2 at 31.), college applications require postmarks by January 1st in many cases (*Id.* at 32.), and many businesses generate the need for mail collections. (*Id.* at 33-4.) However, Carlson cites no specific rules or claims by the Postal Service that in no case will mail not be stranded without processing for two or three days.

In any event, in 2000 only two postal districts had early collections, Appalachian and Royal Oak. Carlson says variation in mail processing exists from area-to-area even though mailers' needs do not vary from area-to-area. (Carlson, part 2 at 31.) In Carlson's view, the needs of customers in those districts were not met. (Carlson, Part 2 at 31.) However, he does not demonstrate that mail processed during holidays necessarily reaches its destination any faster than mail that is not processed during the holidays.

Carlson concludes that impending holidays themselves create a need for normal collection service on holiday eves and early holiday eve collections deny needed mail service. (Carlson, Part 2 at 35.)

B. Adequacy of Collection Box Labels

Collection box labels should be accurate and changes to the information on the labels should be made in advance of the holiday. (Carlson, Part 2 at 35.) Although it appears the Milwaukee, Wis. P&DC may be the only processing center processing outgoing mail on every holiday (relating to a maximum of 11 collection boxes), nationwide, 4,005 other boxes mislead customers and fail to meet their needs by erroneously showing a holiday collection time. (Carlson, Part 2 at 67.)

PROPOSED FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The OCA proposes the Commission reach the following findings and conclusions, and make the following recommendations in its report to the Postal Service upon the complaint:

1. The Postal Service should take immediate steps necessary to insure that its POM and the DMM sections regarding holiday collection and processing policies are consistent and correctly reflect current operational policies..

2. The Postal Service's internal procedural policies providing for exceptions to collection times for Christmas Eve and New Year's Eve and other holidays are sufficiently clear and concise and are applied consistently on a nationwide basis except that service varies where exceptions are taken by local management pursuant to headquarters procedures. Because of the difficulties in notifying the mailing public of exceptions to mail box collections, the Postal Service should eliminate its policy of allowing exceptions to collection times on holiday eves. This will insure standardized collection service throughout the nation so that all customers may be confident the specified collection times will be honored when a letter is mailed.

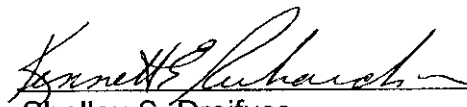
3. If the Postal Service is to continue its policy of allowing exceptions for holiday eves to its nationwide policy of adhering to box collection times, Postal Service management should:

- Standardize, to the extent possible, public messages concerning early collections
- Standardize the system for notifying the public of changes in collections;
- Increase significantly the public notices, to include notices placed on individual mail boxes and the issuance of additional media notices; and
- Standardize post office notices and post the notices well in advance of the day of the expected early collections.

4. Overall, the holiday collection and processing service overall appears to be adequate, even when there is no collection or outgoing mail processing for two consecutive days during certain Christmas and New Year's holidays falling on or near a weekend.

Respectfully submitted,

OFFICE OF THE CONSUMER
ADVOCATE

A handwritten signature in cursive script, appearing to read "Shelley S. Dreifuss", written over a horizontal line.


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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


Deborah Everett

Washington, D.C. 20268-0001
July 9, 2002